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October 5, 2012

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe *Wendy Watanabe*  
Auditor-Controller

SUBJECT: **WOMENSHELTER OF LONG BEACH – A DEPARTMENT OF PUBLIC  
SOCIAL SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES  
PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW –  
FISCAL YEARS 2010-11 AND 2011-12**

We completed a review of WomenShelter of Long Beach (WSLB or Agency), which covered a sample of transactions from Fiscal Years (FY) 2010-11 and 2011-12. The Department of Public Social Services (DPSS) contracts with WSLB, a non-profit organization, to provide Domestic Violence Supportive Services (DVSS) Program services to eligible participants who have been victims of domestic violence. DVSS Program services include performing assessments, facilitating shelter assistance, and providing legal assistance to the victims.

The purpose of our review was to determine whether WSLB appropriately accounted for and spent DVSS Program funds to provide the services outlined in their County contract. We also evaluated the Agency's accounting records, internal controls, and compliance with their contract and other applicable guidelines.

DPSS paid the Agency approximately \$380,000 on a cost-reimbursement basis during FY 2011-12. WSLB provides services to residents of the Fourth Supervisorial District.

**Results of Review**

WSLB provided services to individuals who met DVSS Program eligibility requirements, and their staff had the required qualifications. In addition, WSLB maintained adequate

internal controls, and the Agency prepared its Cost Allocation Plan (Plan) in compliance with its County contract, and used the Plan to allocate shared costs appropriately. However, we noted that WSLB inappropriately charged \$3,526 in employee benefits to the DVSS Program. WSLB's attached response indicates that they will repay DPSS \$3,526, and will ensure employee benefits are billed accurately.

Details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

We discussed our report with WSLB and DPSS on September 12, 2012. WSLB's attached response indicates the Agency agrees with our findings and recommendations. DPSS will work with WSLB to ensure that our recommendations are implemented.

We thank WSLB management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:AA:JS

Attachment

c: William T Fujioka, Chief Executive Officer  
Sheryl L. Spiller, Director, Department of Public Social Services  
Carol Grabowski, M.D., Board President, WSLB  
TuLynn Smylie, Executive Director, WSLB  
Public Information Office  
Audit Committee

**WOMENSHELTER OF LONG BEACH  
DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM  
CONTRACT COMPLIANCE REVIEW  
FISCAL YEARS 2010-11 AND 2011-12**

**ELIGIBILITY**

**Objective**

Determine whether WomenShelter of Long Beach (WSLB or Agency) provided services to individuals who met the Domestic Violence Supportive Services (DVSS) Program eligibility requirements.

**Verification**

We reviewed the case files for nine (16%) of the 58 participants who received services during February and March 2012 for documentation to confirm their eligibility for DVSS Program services.

**Results**

WSLB had documentation to support the nine participants' eligibility for DVSS Program services.

**Recommendation**

**None.**

**PROGRAM SERVICES**

**Objective**

Determine whether WSLB provided the services required by their County contract and DVSS Program guidelines. In addition, determine whether the Program participants received the billed services.

**Verification**

We visited one (50%) of the two WSLB service sites, and reviewed case files for nine (16%) of the 58 participants who received services during February and March 2012.

**Results**

WSLB provided services in accordance with the County contract.

**Recommendation**

**None.**

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether WSLB's staff had the qualifications required by the County contract.

**Verification**

We reviewed the personnel files for eight (27%) of the 30 WSLB employees who worked on the DVSS Program.

**Results**

WSLB's staff had the required qualifications.

**Recommendation**

**None.**

**CASH/REVENUE**

**Objective**

Determine whether WSLB recorded revenue in the Agency's financial records properly, deposited cash receipts into the Agency's bank accounts timely, and prepared and approved bank account reconciliations appropriately.

**Verification**

We interviewed WSLB management, and reviewed the Agency's financial records and April 2012 bank reconciliations.

**Results**

WSLB recorded revenue in their financial records properly, deposited DPSS payments into the Agency's bank account timely, and prepared monthly bank reconciliations appropriately.

**Recommendation**

**None.**

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether expenditures charged to the DVSS Program were allowable under the County contract, properly documented, and accurately billed.

**Verification**

We interviewed WSLB's personnel, and reviewed financial records and documentation for \$6,663 in non-payroll expenditures that the Agency charged to the DVSS Program from July 2011 through March 2012.

**Results**

WSLB's DVSS Program non-payroll expenditures were allowable, properly documented, and accurately billed.

**Recommendation**

**None.**

**FIXED ASSETS AND EQUIPMENT****Objective**

Determine whether WSLB's fixed assets and equipment purchased with DVSS funds were used for the Program and were safeguarded.

**Verification**

We interviewed Agency personnel, and reviewed the Agency's fixed assets and equipment inventory listing. We also performed a physical inventory of two items purchased with DVSS funds in prior years to verify the items exist, and were being used as required.

**Results**

The items purchased with DVSS funds were used for the Program, and were adequately safeguarded.

**Recommendation**

**None.**

**PAYROLL AND PERSONNEL****Objective**

Determine whether WSLB charged payroll costs to the DVSS Program appropriately, and obtained required criminal background clearances and employment eligibility for the Agency's DVSS Program staff.

**Verification**

We traced the payroll costs for eight employees, totaling \$10,550, for March 2012 to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for eight WSLB DVSS Program staff.

**Results**

WSLB obtained background clearances and employment eligibility for their DVSS Program staff. However, the Agency overbilled DPSS \$3,526 for employee benefit costs.

**Recommendations****WSLB management:**

1. **Repay DPSS \$3,526, review all employee benefit costs billed during the contract term, and repay any additional overbilled amounts.**
2. **Ensure employee benefits are accurately billed.**

**COST ALLOCATION PLAN****Objective**

Determine whether WSLB prepared its Cost Allocation Plan (Plan) in compliance with their County contract, and used the Plan to allocate shared costs appropriately.

**Verification**

We reviewed the Agency's Plan, and a sample of expenditures from August 2011 through March 2012.

**Results**

WSLB prepared its Plan in compliance with their County contract, and allocated their shared costs appropriately.

**Recommendation**

**None.**

**CLOSE-OUT REVIEW**

**Objective**

Determine whether WSLB had any unspent revenue for the DVSS Program for Fiscal Year (FY) 2010-11.

**Verification**

We traced the total revenues and expenditures from WSLB's FY 2010-11 close-out report to the Agency's accounting records, and to DPSS' payment records.

**Results**

WSLB did not have any unspent revenue for the DVSS Program for FY 2010-11.

**Recommendation**

**None.**



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*The mission of WSLB is to eliminate domestic violence through compassionate intervention, education and personal empowerment.*

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September 17, 2012

Wendy L. Watanabe  
Auditor-Controller  
500 W Temple Street, Room 525  
Los Angeles, California 90012

Re: Corrective Action Plan to Monitoring Visit

Dear Ms. Watanabe:

In response to the contract review findings for July 2011 to March 2012, WomenShelter of Long Beach's contract with the Department of Public Social Services (DPSS)

Payroll and Personnel Recommendations:

1. Repay DPSS \$3,526, review all employee benefits costs billed during the contract term, and repay any additional overbilled amounts.

Management Response:

- WomenShelter of Long Beach will review all other employee benefits costs billed during the contract term and repay any additional balances due.
- WomenShelter of Long Beach has changed the method of allocating employee benefits and, going forward, will ensure that employees' contributions towards benefits are deducted from the invoice total before allocating benefit charges to the grant.

Sincerely,

A handwritten signature in cursive script, reading "TuLynn Smylie".

TuLynn Smylie  
Executive Director  
TS/JHR